

Supplier Social Responsibility Advisory Workgroup Agenda
Monday, February 23, 2009 (1:00 – 4:00 p.m.)
Liquor Control Board Headquarters, Olympia – Conference Room 201

Time	Topic	Discussion Leader	Expected Outcome
1:00 – 1:05	Welcome, review meeting agenda	Mona Moberg	Meeting agenda reviewed
1:05 – 1:20	Review meeting notes and action items from January 5 th , and DRAW, BAC and Board Meeting feedback	Mona Moberg Debi Besser	Clarify any changes and report back on action items
1:20 – 2:20	Present results from completed “surveys” and get feedback on: <ul style="list-style-type: none"> ▪ Wording changes to questions ▪ Ease of responding to questions ▪ Other changes to questions (additions, deletions) 	Debi Besser	Discuss the content and results Identify any changes to the survey questions
2:20 – 2:30	Break		
2:30 – 3:10	Discuss proposed scoring equalization across sections: <ul style="list-style-type: none"> ▪ Percentage vs. point score per category ▪ Scoring of % questions 	Debi Besser	Identify any changes to scoring
3:10 – 3:30	Discuss which questions should be included in “lite” version	Debi Besser	“Lite” questions identified
3:30 – 3:50	Present staff recommendation for pilot, timing, and use in listing/de-listing decisions	Debi Besser	Receive feedback
3:50 – 4:00	Wrap up, meeting feedback	Debi Besser Mona Moberg	Receive feedback and final comments
4:00	ADJOURN		

1/26/08 (djb)

Workgroup Members:

Lorraine Lee, LCB
Ruthann Kurose, LCB
Kimberly Ward, LCB
Jim Hutchins, LCB
Brent Young, Remy Cointreau USA (DRAW President)
Matt McCarthy, Southern Wine/Spirits West (DRAW VP)
Arick Liske, Diageo North America
Jeff Barr, Bacardi
Bill Ingersoll, Young’s Columbia
Meagan Renick, LCB

Pat McLaughlin, LCB
Debi Besser, LCB
Mona Moberg, LCB
Steve Burnell, LCB
Michael Langer, DSHS
Terry Adams, Ste. Michelle
Kathe McDaniel, LCB
Brian Smith, LCB
Tony Masias, LCB

The mission of the Washington State Liquor Control Board is to contribute to the safety and financial stability of our communities by ensuring the responsible sale, and preventing the misuse of, alcohol and tobacco.

WASHINGTON STATE LIQUOR CONTROL BOARD
Supplier Social Responsibility Workgroup
MEETING MINUTES
February 23, 2009
Headquarters Conference Room 201

MEMBERS PRESENT:

Lorraine Lee, Board Chair	Ruthanne Kurose, Board Member
Pat McLaughlin, LCB	Kathy McDaniel, LCB
Mona Moberg, LCB	Debi Besser, LCB
Matt McCarthy, SWSW	Kimberly Ward, LCB
Meagan Renick, LCB	Michael Langer, DSHS
Arick Liske, Diageo	Tony Masias, LCB
Steve Burnell, LCB	

1.0 WELCOME/REVIEW – Mona Moberg

The meeting was called to order at 1:00 p.m., Monday, February 23, 2009, at Headquarters in Olympia. Mona welcomed all and talked about what we will discuss today. She spoke about the hard copy packets that were passed out that correspond the survey feedback that we received back from everyone after last month's meeting.

2.0 SURVEY RESULTS – Debi Besser

Debi spoke about the feedback that was sent to us from each one of the groups. She talked about the different groups that she brought this information in front of including the Board, DRAW Advisory, and RUAD. At BAC, the only question/comment that she received was "will this be used with microbreweries"? To the extent that we buy from these companies, yes it would.

She presented it at the Board Meeting, and there was not any stakeholders present to give feedback. She also presented it at the RUAD meeting on Friday. They liked the survey, and asked why it wasn't able to be used more widely with beer companies. Debi replied that right now, the survey is just going to be used as a way for the LCB to better understand their own suppliers' social responsibility efforts, and most of the LCB suppliers are spirit suppliers, and some wine suppliers.

Matt M. talked about some of the concerns that were forwarded back to him by the DRAW members. The sensitive nature of some questions was a concern. They also felt that some of the questions asked them directly for their policy and they were not comfortable with giving that information to the state. Do other states ask for this level of information from companies? Part of the fear was that it is the state that is asking for this information. Some companies have a policy that covers their business nationally and they don't want to have to break it down to the state level. Pat asked if it would change the concern about the information if we were just a large customer and not the state. Matt stated that Safeway probably wouldn't be asking for information about how many of our cars are hybrid. Is this information really relevant to what we are doing with the state? Matt stated that some of the suppliers had to ask this info of their CEO to get the answers and the CEO didn't really want to share this with the state. Lorraine asked if this is proprietary for the larger suppliers. Matt was not sure, but part of the concern is that some of this information would then become public knowledge once it is sent via email because it is then subject to the public disclosure laws. Matt also stated that some of the questions should have asked about practices versus policies. Pat stated that if there was info that a company was willing to share this info, can we sign a confidentiality agreement and have that not be disclosed to the public? Matt tabled the remaining feedback until we went through the individual questions.

We sent out to all of the suppliers that are on the committee and we got them back from almost everyone. In terms of results, both Diageo and Bacardi had great detailed answers, so with their permission we

shared their surveys with everyone. Arick stated that it probably took about 20 hours to complete the survey.

The group discussed the questions one by one. Matt provided the specific feedback from DRAW. Questions were changed/added/deleted as follows:

Underage Access

- 1-1 What is the point value and is there a responsibility message on it? Matt stated that some of the suppliers didn't see the value in doing this. Most distributors do not advertise.
- 1-2 Nothing
- 1-3 Is the bottle necker really the right place for this message? Yes.
- 1-4 Nothing
- 1-5 You should not have a negative number for the score.
- 1-6 To say no to these questions has a worse impact than other questions. Lorraine felt that those were important measures. We should use zero instead of negative. There should be some sort of way to adjust for N/A, so that you are not penalizing them for not doing it, the same as if the question doesn't apply. Steve stated that we should adjust the score on those, so that some have a top score of 50, and if it is N/A, they just have a top score of 40 instead.
- 1-7 Is this too difficult a question? There will be a lite survey to go out to smaller suppliers. Matt asked if there is a benefit for them, or is harder on them?
- 1-8 reworded
- 1-9 Bonus question

Advertising

- 2-1 Okay
- 2-2 They don't comply that they have a formal training program? Okay
- 2-3 Sec rewarding
- 2-4 Keep at about 70% for 1st year, but re-evaluate if it should move up to 80%

Over-Consumption

- 3-1 okay
- 3-2 See rewording change N to 0.
- 3-3 Eliminate this one and use 3-9 instead
- 3-4 Eliminate
- 3-5 Require of sales employees and representatives
- 3-6 Went away
- 3-7 Combine this with the bonus questions below.
- 3-8

Good Steward

- 4-1 Give examples of financial sponsorships, etc.
- 4-2 rephrase
- 4-3 okay
- 4-4 okay
- 4-5 okay
- 4-6 eliminate
- 4-7 okay
- 4-8 okay
- 4-9 okay
- 4-10 combine with 4-9
- 4-11 okay

3.0 WRAP UP – Debi Besser

We will look at some of the questions and try to figure out which ones should be used for the lite survey. Pat M. stated that we should assemble another group to figure out those questions. Debi passed out the interim draft board policy, talked about the pilot of the survey, etc.

Beginning in July, any supplier that comes to the New Listing Meeting will be asked to complete the lite survey, as a part of the pilot. This will be sent out at the beginning of May for them to complete by July. At the conclusion of the six month pilot we will take the results to the Board and then finalize this by March 2010.

Lorraine asked, as a supplier coming to a New Listing meeting, what do you think of being asked to complete this survey? Steve answered and said that there is going to be a huge variation in the reactions depending on the size of the supplier.

Lorraine stated that she feels that this will be an important vehicle for suppliers to share what they are doing to be responsible, etc.

This interim policy is going before the Board on March 4th at 10am. Debi invited everyone from this workgroup to join at the Board meeting to be recognized for their hard work. Debi will send out the final to everyone by Friday. This will be introduced at the Supplier Conference on March 24th as well.

Lorraine asked everyone to share their final thoughts and feedback about the committee:

Michael Langer – It's important to have a forum that is comfortable to be heard in and he appreciates the opportunity. What will be the contribution back to the state?

Arick Liske - The dynamics were great. When you talk about social responsibility it can be difficult and it is good to see the things that are going on in the industry. A lot of the communities are getting involved to give back. Seeing the tools and resources are good.

Steve Burnell - it is nice to see the things that are out there and ask the questions and have them answered by more than just to see "drink responsibly".

Kathe McDaniel - Her awareness has improved greatly after her involvement here.

Matt McCarthy - It's nice to see everything involved in social responsibility. Five years ago, this workgroup would not have looked like this, but the LCB and DRAW have come a long way over the years and we are working better together.

Kim Ward - She always hears this from the Board about how important social responsibility is. It is nice to see that the suppliers really have these programs in place and take it seriously as well.

Ruthanne Kurose- She is surprised that we have agreed on some of these measures and she is glad to hear this and see this encouraging good start.

Mona Moberg - It has been exciting to see the commitment and hear the conversations and came up with a great product.

Debi Besser - This is a wonderful product and she wants to thank everyone for spending so much time putting this together.

Meagan K. Renick - She was impressed with the things that the suppliers have in place to deal with social responsibility and that she was grateful for being able to participate in this workgroup and the breakout

sessions, as it has broadened her knowledge in this arena.

Lorraine gave kudos to Debi for all of her hard work and being so on the ball with things. She has seen some new partnerships created. She thanked all and encouraged them to come to the Board meeting next Wednesday morning.

4.0 ADJOURNMENT

The meeting was adjourned at 4:00 p.m. This was the last meeting for this workgroup.